

### **Information on Debtor Audits**

Individuals who file for relief under chapter 7 or chapter 13 of the Bankruptcy Code are subject to audits. By law, at least one out of every 250 chapter 7 and chapter 13 individual cases will be randomly selected for audit. In addition, other cases will be selected for audit.

Your case has been selected for audit. The audit involves the verification of the income, expenses, and assets reported by you in the bankruptcy schedules and statements. You are required to provide some additional information and records and cooperate with the audit firm and provide this information promptly. There is no cost to you for the audit, except for the cost of obtaining and providing documents needed for the audit. The information that you provide in connection with your case is subject to examination by the U.S. Attorney General or his designee.

The audit firm will file a report with the court containing the results of the audit. A copy of the report will be provided to your attorney (or directly to you if you are not represented). If the audit firm finds material misstatement(s) of income, expenses, or assets, the clerk of the bankruptcy court will notify your creditors.

Failure to cooperate with the audit firm, or failure to reasonably explain to the bankruptcy court any material misstatements contained in the audit firm's report, may result in the dismissal of your case or in the denial or revocation of your discharge, and, possibly, a referral of the matter to the United States Attorney for criminal investigation.